



## 97TH GENERAL ASSEMBLY

### State of Illinois

### 2011 and 2012

#### HB4108

by Rep. Daniel J. Burke

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/13-310  
40 ILCS 5/13-601

from Ch. 108 1/2, par. 13-310  
from Ch. 108 1/2, par. 13-601

Amends the Metropolitan Water Reclamation District (MWRD) Article of the Illinois Pension Code. Provides that an employee who first enters service on or after January 1, 2013 and becomes disabled shall, on and after the 31st day of disability, be entitled to ordinary disability benefits during the remainder of that disability, provided all sick leave is exhausted. Provides that if employee contributions (including interest to the date of withdrawal) in the account of an employee who enters service on or after January 1, 2013 have not, before his or her death and the death of his or her spouse, been paid as a retirement, spouse's, or child's annuity, then a refund shall be paid in an amount equal to the excess of the contributions over the amounts paid on those annuities. Specifies that if there are surviving children of the employee or annuitant who are eligible for a child's annuity, then that refund may not be paid until the youngest eligible child reaches age 23.

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FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Sections 13-310 and 13-601 as follows:

6 (40 ILCS 5/13-310) (from Ch. 108 1/2, par. 13-310)

7 Sec. 13-310. Ordinary disability benefit.

8 (a) Any employee who becomes disabled as the result of any  
9 cause other than injury or illness incurred in the performance  
10 of duty for the employer or any other employer, or while  
11 engaged in self-employment activities, shall be entitled to an  
12 ordinary disability benefit, provided all sick leave is  
13 exhausted. The eligible period for this benefit shall be 25% of  
14 the employee's total actual service prior to the date of  
15 disability with a cumulative maximum period of 5 years.

16 (b) The benefit shall be allowed only if the employee files  
17 an application in writing with the Board, and a medical report  
18 is submitted by at least one licensed and practicing physician  
19 as part of the employee's application.

20 The benefit is not payable for any disability which begins  
21 during any period of unpaid leave of absence. No benefit shall  
22 be allowed for any period of disability prior to 30 days before  
23 application is made, unless the Board finds good cause for the

1 delay in filing the application. The benefit shall not be paid  
2 during any period for which the employee receives or is  
3 entitled to receive any part of salary.

4 The benefit is not payable for any disability which begins  
5 during any period of absence from duty other than allowable  
6 vacation time in any calendar year. An employee whose  
7 disability begins during any such ineligible period of absence  
8 from service may not receive benefits until the employee  
9 recovers from the disability and is in service for at least 15  
10 consecutive working days after such recovery.

11 (b-1) In the case of an employee who first enters service  
12 on or after June 13, 1997, an ordinary disability benefit is  
13 not payable for the first 3 days of disability that would  
14 otherwise be payable under this Section if the disability does  
15 not continue for at least 11 additional days.

16 (b-2) Beginning on August 18, 2005 (the effective date of  
17 Public Act 94-621) ~~this amendatory Act of the 94th General~~  
18 ~~Assembly,~~ an employee who first entered service on or after  
19 June 13, 1997 and becomes disabled on or after August 18, 2005  
20 is also eligible for ordinary disability benefits on the 31st  
21 day after the last day worked, ~~provided all sick leave is~~  
22 ~~exhausted.~~

23 (b-3) An employee who first enters service on or after  
24 January 1, 2013 and becomes disabled shall, on and after the  
25 31st day of disability, be entitled to ordinary disability  
26 benefits during the remainder of that disability.

1 (c) The benefit shall be 50% of the employee's salary at  
2 the date of disability, and shall terminate when the earliest  
3 of the following occurs:

4 (1) The employee returns to work or receives a  
5 retirement annuity paid wholly or in part under this  
6 Article;

7 (2) The disability ceases;

8 (3) The employee willfully and continuously refuses to  
9 follow medical advice and treatment to enable the employee  
10 to return to work. However this provision does not apply to  
11 an employee who relies in good faith on treatment by prayer  
12 through spiritual means alone in accordance with the tenets  
13 and practice of a recognized church or religious  
14 denomination, by a duly accredited practitioner thereof;

15 (4) The employee (i) refuses to submit to a reasonable  
16 physical examination within 30 days of application by a  
17 physician appointed by the Board, (ii) in the case of  
18 chronic alcoholism, the employee refuses to join a  
19 rehabilitation program licensed by the Department of  
20 Public Health of the State of Illinois and certified by the  
21 Joint Commission on the Accreditation of Hospitals, (iii)  
22 fails or refuses to consent to and sign an authorization  
23 allowing the Board to receive copies of or to examine the  
24 employee's medical and hospital records, or (iv) fails or  
25 refuses to provide complete information regarding any  
26 other employment for compensation he or she has received

1 since becoming disabled; or

2 (5) The eligible period for this benefit has been  
3 exhausted.

4 Effective January 1, 2013, the ~~The~~ first payment of the  
5 benefit shall be made not later than one month after the  
6 benefit is ~~same has been~~ granted, and each subsequent payment  
7 ~~payments~~ shall be made monthly ~~at intervals of not more than 30~~  
8 ~~days~~.

9 (Source: P.A. 94-621, eff. 8-18-05.)

10 (40 ILCS 5/13-601) (from Ch. 108 1/2, par. 13-601)

11 Sec. 13-601. Refunds.

12 (a) Withdrawal from service. Upon withdrawal from service,  
13 an employee who first became a member before January 1, 2011,  
14 who is under age 55 (age 50 if the employee first entered  
15 service before June 13, 1997), or an employee age 55 (age 50 if  
16 the employee first entered service before June 13, 1997) or  
17 over but less than age 60 having less than 20 years of service,  
18 or an employee age 60 or over having less than 5 years of  
19 service shall be entitled, upon application, to a refund of  
20 total contributions from salary deductions or amounts  
21 otherwise paid under this Article by the employee. An employee  
22 who first becomes a member on or after January 1, 2011, who  
23 withdraws before age 62 regardless of length of service, or who  
24 withdraws with less than 10 years of service regardless of age  
25 is entitled to a refund of total contributions from salary

1 deductions or amounts otherwise paid under this Article by the  
2 employee. The refund shall not include interest credited to the  
3 contributions. The Board may, in its discretion, withhold  
4 payment of a refund for a period not to exceed one year from  
5 the date of filing an application for refund.

6 (b) Surviving spouse's annuity contributions. A refund of  
7 all amounts deducted from salary or otherwise contributed by an  
8 employee for the surviving spouse's annuity shall be paid upon  
9 retirement to any employee who on the date of retirement is  
10 either not married or is married but whose spouse is not  
11 eligible for a surviving spouse's annuity paid wholly or in  
12 part under this Article. The refund shall include interest on  
13 each contribution at the rate of 3% per annum compounded  
14 annually from the date of the contribution to the date of the  
15 refund.

16 (c) Payment of Refunds After Death. Whenever any refund is  
17 payable after the death of the employee or annuitant as  
18 provided for in this Article, the refund shall be paid as  
19 follows: to the employee's surviving spouse, but if there is no  
20 surviving spouse then in accordance with the employee's written  
21 designation of beneficiary filed with the Board on the  
22 prescribed form before the employee's death. If there is no  
23 such designation of beneficiary, then to the employee's  
24 surviving children in equal parts to each. If there are no such  
25 children, the refund shall be paid to the heirs of the employee  
26 according to the law of descent and distribution of the State

1 of Illinois.

2 If a personal representative of the estate has not been  
3 appointed within 90 days from the date on which a refund became  
4 payable, the refund may be applied, in the discretion of the  
5 Board, toward the payment of the employee's or the surviving  
6 spouse's burial expenses. Any remaining balance shall be paid  
7 to the heirs of the employee according to the law of descent  
8 and distribution of the State of Illinois.

9 Whenever the total accumulations to the account of an  
10 employee from employee contributions other than the  
11 contribution for the cost of living increase, including  
12 interest to the employee's date of withdrawal, have not been  
13 paid to the employee and surviving spouse as a retirement or  
14 spouse's annuity before the death of the employee and spouse, a  
15 refund shall be paid as follows: an amount equal to the excess  
16 of such amounts over the amounts paid on such annuities without  
17 interest on either such amount.

18 If employee contributions in the account of an employee who  
19 enters service on or after January 1, 2013 (excluding  
20 contributions for the cost of living increase, but including  
21 interest up to the date of the employee's withdrawal) have not,  
22 before his or her death and the death of his or her spouse,  
23 been paid as a retirement annuity to the employee, a spouse's  
24 annuity to his or her surviving spouse, or a child's annuity to  
25 his or her surviving child or children, then a refund shall be  
26 paid in an amount equal to the excess of the contributions over

1 the amounts paid on the annuities. If there are surviving  
2 children of the employee or annuitant who are eligible for a  
3 child's annuity under Section 13-308, then the refund may not  
4 be paid until the youngest eligible child reaches age 23.

5 If a reversionary annuity becomes payable under Section  
6 13-303, the refund provided in this section shall not be paid  
7 until the death of the reversionary annuitant and the refund  
8 otherwise payable under this section shall be then further  
9 reduced by the amount of the reversionary annuity paid.

10 (d) In lieu of annuity. Notwithstanding the provisions set  
11 forth in subsection (a) of this section, whenever an employee's  
12 or surviving spouse's annuity will be less than \$200 per month,  
13 the employee or surviving spouse, as the case may be, may elect  
14 to receive a refund of accumulated employee contributions;  
15 provided, however, that if the election is made by a surviving  
16 spouse the refund shall be reduced by any amounts theretofore  
17 paid to the employee in the form of an annuity.

18 (e) Forfeiture of rights. An employee or surviving spouse  
19 who receives a refund forfeits the right to receive an annuity  
20 or any other benefit payable under this Article except that if  
21 the refund is to a surviving spouse, any child or children of  
22 the employee shall not be deprived of the right to receive a  
23 child's annuity as provided in Section 13-308 of this Article,  
24 and the payment of a child's annuity shall not reduce the  
25 amount refundable to the surviving spouse.

26 (Source: P.A. 95-586, eff. 8-31-07; 96-251, eff. 8-11-09;

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1 96-1490, eff. 1-1-11.)